

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DEUTSCHE ZENTRAL-
GENOSSENSCHAFTSBANK AG, NEW YORK
BRANCH, d/b/a DZ BANK AG, NEW YORK
BRANCH; HSH NORDBANK AG; HSH
NORDBANK AG, LUXEMBOURG BRANCH;
HSH NORDBANK AG, NEW YORK
BRANCH; and HSH NORDBANK
SECURITIES S.A.,

Plaintiffs,

-against-

HSBC NORTH AMERICA HOLDINGS, INC.;
HSBC USA INC.; HSBC MARKETS (USA)
INC.; HSBC BANK USA, N.A.; HSI ASSET
SECURITIZATION CORPORATION; HSBC
SECURITIES (USA) INC.; BLAYLOCK &
COMPANY INC.; and BLAYLOCK ROBERT
VAN LLC,

Defendants.

Civil Action No. 12-cv-4025-VM

**DECLARATION OF WILLIAM J. MOON IN SUPPORT OF THE DEFENDANTS’
MOTION TO DISMISS THE CONSOLIDATED COMPLAINT**

I, WILLIAM J. MOON, declare as follows:

1. I am a member of the Bar of the State of New York and an associate of Boies, Schiller & Flexner, LLP, attorneys for Defendants HSBC North America Holdings Inc., HSBC USA Inc., HSBC Markets (USA) Inc., HSBC Bank USA, N.A., HSI Asset Securitization Corporation, and HSBC Securities (USA) Inc. (collectively, “HSBC Defendants”).

2. I am familiar with the proceedings in this case. I make this declaration based on my personal knowledge of the facts set forth herein and in support of Defendants’ Memorandum of Law in Support of their Motion to Dismiss the Consolidated Complaint.

3. Attached as Exhibit A is a true and correct copy of the Plaintiffs' Consolidated Complaint.

4. Attached as Exhibit B is a true and correct copy of an excerpt of the Underwriting Agreement to HASC 2006-HE2, dated December 4, 2006.

5. Attached as Exhibit C is a true and correct copy of an excerpt of the Prospectus Supplement to HASC 2006-HE1, dated April 3, 2006.

6. Attached as Exhibit D is a true and correct copy of an excerpt of the Prospectus Supplement to HASC 2007-HE1, dated December 27, 2006.

7. Attached as Exhibit E is a true and correct copy of a Letter from Andrew Michaelson to Mark Arisohn, dated November 6, 2012.

8. Attached as Exhibit F is a true and correct copy of the Joint Status Report dated January 4, 2013 (Docket No. 21).

9. Attached as Exhibit G is a true and correct copy of an E-mail from Martis Alex to Andrew Michaelson et al., dated March 11, 2013.

10. Attached as Exhibit H is a true and correct copy of DZ Bank AG's 2008 Annual Report.

11. Attached as Exhibit I is a true and correct copy of HSH Nordbank AG's 2008 Annual Report.

12. Attached as Exhibit J are tables summarizing credit ratings downgrades for Plaintiffs' Certificates before December 31, 2008. These Summary Charts reflect information contained in a true and correct copy of credit history of the particular tranches of Plaintiffs' Certificates obtained from Bloomberg, which are incorporated into this Exhibit. Defendants' counsel inserted page numbers in this Exhibit for ease of reference.

13. Attached as Exhibit K is a true and correct copy of an excerpt of the Prospectus Supplement to HASC 2006-OPT2, dated July 11, 2005.

14. Attached as Exhibit L is a true and correct copy of HSH Nordbank, *Financial Stability Forum Report*, dated June 31, 2008.

15. Attached as Exhibit M is a true and correct copy of the Amended Complaint in *HSH Nordbank AG v. UBS AG and UBS Securities LLC*, Index No. 08600562 (Sup. Ct. N.Y.), filed December 10, 2008.

16. Attached as Exhibit N is a true and correct copy of Moody's Investors Service, *Moody's Downgrades Subprime First-Lien RMBS*, dated July 10, 2007. Defendants' counsel inserted page numbers in this Exhibit for ease of reference.

17. Attached as Exhibit O is a true and correct copy of *Examining the subprime-lending crisis*, The Denver Post, dated December 2, 2007.

18. Attached as Exhibit P is a true and correct copy of Plaintiff Deutsche Zentral-Genossenschaftsbank AG's Verified Responses and Objections to Defendants' First Set of Requests for Admission, dated March 12, 2013.

19. Attached as Exhibit Q is a true and correct copy of *Stichting Pensioenfonds ABP v. Credit Suisse Group AG*, Index No. 653665/2011, slip op. (Sup. Ct. N.Y. 2012).

20. Attached as Exhibit R is a true and correct copy of the Deposition Transcript of Carl Amendola, DZ Bank AG's 30(b)(6) witness.

21. Attached as Exhibit S is a true and correct copy of Exhibit CA-2 to the Deposition Transcript of Carl Amendola.

22. Attached as Exhibit T are true and correct copies of Exhibits CA-14, CA-15, CA-16, CA-17, and CA-19 to the Deposition Transcript of Carl Amendola. Defendants' counsel inserted slip sheets between each of the Exhibits for ease of reference.

23. Attached as Exhibit U is a true and correct copy of Exhibit CA-30 to the Deposition Transcript of Carl Amendola. Defendants' counsel inserted page numbers in this Exhibit for ease of reference.

24. Attached as Exhibit V is a true and correct copy of Exhibit CA-31 to the Deposition Transcript of Carl Amendola. Defendants' counsel inserted page numbers in this Exhibit for ease of reference.

25. Attached as Exhibit W is a true and correct copy of Peter Coy, *WMC Underwrote Some of the Crappiest Subprime Loans*, Business Week, dated February 21, 2008.

26. Attached as Exhibit X is a true and correct copy of *DZ Bank Joins List of German Victims of U.S. Subprime Crisis*, The New York Times, dated December 8, 2008.

27. Attached as Exhibit Y is a true and correct copy of an excerpt to the Pooling and Servicing Agreement to HASC 2006-HE2, dated as of November 1, 2006.

28. Attached as Exhibit Z is a true and correct copy of an excerpt to the Prospectus to HASC 2006-HE2, dated April 3, 2006.

29. Attached as Exhibit AA is a true and correct copy of Clayton Holdings LLC, *All Clayton Trending Report: 1st Quarter 2006 – 2nd Quarter 2007*, dated 2007.

30. Attached as Exhibit BB is a true and correct copy of an excerpt of the Transcript of Hearing on "The Financial Crisis at the Community Level – Sacramento, CA," dated September 23, 2010.

31. Attached as Exhibit CC is a true and correct copy of an excerpt of The Financial Crisis Inquiry Commission, *The Financial Crisis Inquiry Report*, dated January 2011.

32. Attached as Exhibit DD is a true and correct copy of a Letter from Paul T. Bossidy, President and CEO of Clayton to the Honorable Phil Angelides, Chairman of FCIC, dated September 30, 2010.

Dated: New York, New York
April 24, 2013



William J. Moon